### AMENDED IN SENATE MARCH 25, 2009 AMENDED IN SENATE MARCH 12, 2009

SENATE BILL No. 15

# Introduced by Senator Cedillo (Coauthors: Senators DeSaulnier, Florez, and Wiggins)

(Coauthors: Assembly Members Buchanan, Chesbro, Coto, Eng, Galgiani, Hernandez, Krekorian, Monning, Nestande, Niello, Portantino, Price, Ruskin, Salas, and Silva)

#### December 1, 2008

An act to add Article 4.5 (commencing with Section 69436.70) to Chapter 1.7 of Part 42 of Division 5 of Title 3 of the Education Code, relating to student financial aid.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 15, as amended, Cedillo. Student financial aid: members and former members of the Armed Forces of the United States.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes, among other programs, the Cal Grant A Entitlement Program, the Cal Grant B Entitlement Program, the California Community College Transfer Cal Grant Entitlement Program and the Competitive Cal Grant A and B award program, under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs.

This bill would, commencing with the 2010–11 academic year, entitle an otherwise eligible student who is a member or former member of the Armed Forces of the United States, as defined, who meets prescribed requirements, including enrollment—at a campus of the California Community Colleges, in a career technical education program, or in a qualifying undergraduate certificate or degree program, to a Cal Grant

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A Entitlement Award or a Cal Grant B Entitlement Award. The bill also would require the Student Aid Commission to make preliminary awards to all applicants currently eligible for an award under the program, and would require each person who receives a preliminary award to affirm, in writing, that he or she meets specified requirements for eligibility in the program.

The bill would require the commission to randomly select at least 10% of the new and renewal awards made under the program and verify that the student meets specified requirements for eligibility. The bill would require the commission to seek repayment of any funds found to be improperly disbursed under the program, and would require the commission to submit an annual report to the Legislature and the Governor regarding, among other things, the number of awards made under this program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
  - (a) The original G.I. Bill helped ward off post-World War II economic depression by redirecting veterans from job hunting to programs that provided job education and training.
  - (b) Over 30,000 United States troops have been wounded in Iraq and Afghanistan since 2003, and many of these veterans will need significant assistance with reintegration into civilian life. California must prepare for the increasing number of members of the United States Armed Forces Armed Forces of the United States that will be returning from these conflicts.
  - (c) Increased access to financial aid to help returning members of the United States Armed Forces Armed Forces of the United States afford the cost of tuition and fees of California's universities and colleges will increase the state's collective productivity and economic growth.
- 17 (d) California high school graduates who were eligible for the 18 Cal Grant Entitlement program may have lost their eligibility if 19 they chose to serve their country before pursuing a postsecondary 20 education.

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(e) Recent studies have identified the need for a more educated workforce in order to meet the demands of California's growing economy.

SEC. 2. Article 4.5 (commencing with Section 69436.70) is added to Chapter 1.7 of Part 42 of Division 5 of Title 3 of the Education Code, to read:

## Article 4.5. Cal Grants for Members and Former Members of the Armed Forces

- 69436.70. (a) Commencing with the 2010–11 academic year, and each academic year thereafter, a student who is a member or former member of the Armed Forces of the United States, shall be entitled to a Cal Grant A Entitlement Award or a Cal Grant B Entitlement Award if he or she meets all of the following requirements:
- (1) Enlisted in the United States Armed Forces of the United States within one year of high school graduation.
- (2) Was discharged from the Armed Forces of the United States under any designation, except a discharge under less than honorable conditions. and received an honorable discharge, a general discharge, or an other than honorable discharge. A person who received a dishonorable discharge or a bad conduct discharge is not eligible for an award pursuant to this article.
- (3) Within two years of being discharged from the Armed Forces of the United States, enrolls in one of the following:
  - (A) A campus of the California Community Colleges.
- (B) A career technical education program, as described in Section 69439.
- (C) A qualifying undergraduate certificate or degree. program a qualifying undergraduate certificate or degree program pursuant to paragraph (5) of subdivision (b) of Section 69434, with respect to Cal Grant A, or paragraph (5) of subdivision (a) of Section 69435.3, with respect to Cal Grant B.
  - (4) Meets all of the criteria in subdivision (b).
- (b) A California resident enrolling at a qualifying institution *in* an eligible certificate or degree program is entitled to receive, and the commission shall award, a Cal Grant A or B award depending on the eligibility determined pursuant to subdivision (c), if all of the following criteria are met:

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(1) A complete official financial aid application has been submitted or postmarked pursuant to Section 69432.9, no later than March 2 of the year immediately preceding the award year.

- (2) The student demonstrates financial need pursuant to Section 69433.
- (3) The student's household has an income and asset level not exceeding the limits set forth in Section 69432.7.
- (4) The student is enrolled at a campus of the California Community Colleges or is pursuing a career technical education program or a degree that is offered by a qualifying institution.
  - (5) The student is enrolled at least part time.
- (6) The student meets the general Cal Grant eligibility requirements set forth in Article 1 (commencing with Section 69430).
- (7) The student will not be 28 years of age or older by December 31 of the award year.
- (8) The student graduated from a California high school or its equivalent during or after the 2000–01 academic year.
- (c) The amount and type of the award pursuant to this article shall be determined as follows:
- (1) For applicants with income and assets at or under the Cal Grant A limits, the award amount shall be the amount established pursuant to Article 2 (commencing with Section 69434).
- (2) For applicants with income and assets at or under the Cal Grant B limits, the award amount shall be the amount established pursuant to Article 3 (commencing with Section 69435).
- (d) (1) Commencing with the 2010–11 academic year, a student meeting the requirements of paragraph (8) of subdivision (b) by means of high school graduation, rather than its equivalent, shall be required to have graduated from a California high school, unless that California resident graduated from a high school outside of California due solely to orders received from a branch of the United States Armed Forces Armed Forces of the United States by that student or by that student's parent or guardian that required that student to be outside of California at the time of high school graduation.
- (2) (A) Commencing with the 2010–11 academic year, the commission shall make preliminary awards to all applicants currently eligible for an award under this article. At the time an applicant receives a preliminary award, the commission shall

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require that applicant to affirm, in writing, that he or she meets the requirements set forth in subdivision (e) of Section 69433.9, paragraph (8) of subdivision (b) of this section, and paragraph (1) of this subdivision. The commission shall notify each person who receives a preliminary award under this paragraph that his or her award is subject to an audit pursuant to subparagraph (B).

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- (B) The commission shall select, at random, a minimum of 10 percent of the new and renewal awards made under subparagraph (A), and shall require, prior to the disbursement of Cal Grant funds to the affected postsecondary institution, that the institution verify that the recipient meets the requirements of subdivision (e) of Section 69433.9, paragraph (8) of subdivision (b) of this section, and paragraph (1) of this subdivision. An award that is audited under this paragraph and found to be valid shall not be subject to a subsequent audit.
- (C) Pursuant to Section 69517.5, the commission shall seek repayment of all funds found to be improperly disbursed under this article.
- (D) By November 1 of each year, the commission shall submit a report to the Legislature and the Governor including, but not necessarily limited to, both of the following:
- (i) The number of awards made under this article in the preceding 12 months.
- (ii) The number of new and renewal awards selected, in the preceding 12 months, for verification under subparagraph (B), and the results of that verification with respect to students at the University of California, at the California State University, at the California Community Colleges, at independent nonprofit institutions, and at independent for-profit institutions.
- (e) For purposes of this section, "Armed Forces of the Untied United States" means the Air Force, Army, Coast Guard, Marine Corps, and Navy.